

MEMORANDUM FOR: NIO/USSR
NIO/AL
C/NIC

I have taken the action on this at
request and have contacted SOVA.

25X1

Maurice Ernst
NIO/Econ

Date 25 March 1982

FORM 5-75 101 USE PREVIOUS EDITIONS

GPO : 1981 O - 345-783

Approved For Release 2007/04/30 : CIA-RDP84T00109R000100090004-8

STAT

Approved For Release 2007/04/30 : CIA-RDP84T00109R000100090004-8



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

DDI- 9357-82

MAR 19 1982

MEMORANDUM FOR: Henry Rowen
National Intelligence Officer
Central Intelligence Agency

FROM: Lawrence J. Brady
Assistant Secretary *[Signature]*
for Trade Administration

SUBJECT: Cost Estimates of Siberian Pipeline.

I have quickly reviewed the most recent C.I.A. assessment of the Siberian pipeline. There are still a few unanswered questions relating to cost which deserve further attention.

1. At what point does the entire project become uneconomic for Western banks because of construction delays, Soviet failure to deliver gas at specified volume or price, or slackness of demand in Western Europe?
2. I have seen cost estimates for the project ranging from \$22 billion to \$45 billion. What would account for this wide variation? Has CIA undertaken any assessment of the labor costs of this project? Where will the manpower come from, given the severe labor shortages in Siberia? Will there be sufficient volunteers (Komsomol students, etc.) for the pipeline and infrastructure, or will forced labor, including dissidents, be utilized?

24 March 82

Copies to:

- 1 - D/OGI
- 1 - DD/SOVA (LDX)

